

ORDINANCE NO. 27827

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AN ORDINANCE OF THE CITY OF SAN JOSE MAKING CERTAIN FINDINGS AND AMENDING THE TIME LIMITATIONS EXTENDING BY ONE YEAR THE EFFECTIVENESS OF THE REDEVELOPMENT PLAN AND THE LAST DAY TO REPAY INDEBTEDNESS OR RECEIVE PROPERTY TAXES WITH RESPECT TO THE REDEVELOPMENT PLANS FOR THE CENTURY CENTER, EDENVALE, GUADALUPE-AUZERAIS, JAPANTOWN, JULIAN-STOCKTON, MARKET GATEWAY, OLINDER, PUEBLO UNO, RINCON DE LOS ESTEROS (EXCEPT 3RD EXPANSION), AND MONTEREY CORRIDOR REDEVELOPMENT PROJECT AREAS

WHEREAS, Section 33681.12 of the Health and Safety Code was added by SB 1096, which took effect in August 2004, and requires the Redevelopment Agency of the City of San Jose ("Agency") during the 2005-2006 fiscal year to make a payment for deposit in the Educational Revenue Augmentation Fund ("ERAF"), in the amount of \$14,500,614; and

WHEREAS, Sections 33333.2 and 33333.6 of the Health and Safety Code were amended by SB 1096 to provide that when an agency is required to make a payment pursuant to Section 33681.12, the legislative body may amend a redevelopment plan to extend by one year the time limit of the effectiveness of the plan and the time limit to repay indebtedness or receive property taxes, by making certain findings when the time limit for the effectiveness of the redevelopment plan is more than ten years but less than twenty years from the last day of the fiscal year in which the ERAF payment is being made; and

WHEREAS, pursuant to Section 33334.6 of the California Redevelopment Law, the Agency started setting aside 20% of all tax increment revenues, except for the increment generated by the Park Center Project Area, in 1981, which was the first year

tax increment was collected on redevelopment plans adopted or amended after January 1, 1977, and has transferred the monies to the City of San Jose's Low and Moderate Income Housing Fund; and

WHEREAS, in 1988, pursuant to Section 33334.6, the Agency Board adopted a plan to satisfy the indebtedness of the Park Center Project Area's 20% housing set-aside requirement. The repayment plan to the City's Low and Moderate Income Housing Fund started in FY 1993-94, and the final payment was completed in FY 1999-2000; and

WHEREAS, evidence of the Agency's compliance with the 20% Set Aside requirement can be found in the annual State Controller's Office report, which provides specific detailed information on the payment of and use of the 20% Housing Set Aside Fund; and

WHEREAS, on November 16, 2004, the Agency Board approved the most recent version of the Agency's Five-Year Implementation Plan for the Merged Area, which includes the Century Center, Edenvale, Guadalupe-Auzerais, Japantown, Julian-Stockton, Market Gateway, Olinder, Pueblo Uno, Rincon de los Esteros, and Monterey Corridor Project Areas, as required by California Redevelopment Law; and

WHEREAS, the Five-Year Implementation Plan includes a compliance report for the inclusionary and replacement housing requirements of California Redevelopment Law, which requires that each project within a project area fulfill the State's requirement for production of affordable units; and

WHEREAS, on December 13, 2005, the Agency Board approved the FY 2004-2005 annual California Department of Housing and Community Development report, which states that the Agency has not accumulated a balance of excess surplus in the Low and Moderate Income Housing Fund.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

Section 1. The Redevelopment Agency is in compliance with the 20% Housing Set Aside requirements of the Redevelopment Law.

Section 2. The Redevelopment Agency is in compliance with the Implementation Plan requirements of the Redevelopment Law.

Section 3. The Redevelopment Agency is in compliance with the Inclusionary and Replacement Housing requirements of the Redevelopment Law.

Section 4. The Redevelopment Agency is not subject to sanctions for failure to expend, encumber or disburse an excess surplus in the Low and Moderate Income Housing Fund.

Section 5. The redevelopment plans for Century Center, Edenvale, Guadalupe-Auzerais, Japantown, Julian-Stockton, Market Gateway, Olinder, Pueblo Uno, Rincon de los Esteros (except 3rd Expansion), and Monterey Corridor are hereby amended to extend by one year the time limit on the effectiveness of the plans.

Section 6. The redevelopment plans for Century Center, Edenvale, Guadalupe-Auzerais, Japantown, Julian-Stockton, Market Gateway, Olinder, Pueblo Uno, Rincon de los Esteros (except 3rd Expansion), and Monterey Corridor are hereby amended to extend by one year the time limit on the repayment of indebtedness or receipt of property taxes, if applicable, pursuant to Health and Safety Code Section 33670.

Section 7. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance, and this

City Council hereby declares that it would have passed the remainder of this Ordinance if such invalid portion thereof had been deleted.

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Section 8. The City Clerk will certify to the passage of this Ordinance by the City Council and cause the same to be published once in a newspaper of general circulation, and it will take effect thirty (30) days after its final passage.

PASSED FOR PUBLICATION of title this 15th day of August, 2006, by the following vote:

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AYES: CAMPOS, CHIRCO, CORTESE, LeZOTTE, NGUYEN, REED, WILLIAMS, YEAGER, CHAVEZ

NOES: NONE

ABSENT: PYLE; GONZALES

DISQUALIFIED: NONE

ATTEST:

CINDY CHAVEZ
Vice Mayor

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LEE PRICE, MMC
City Clerk